

**LETTER OF PRESENTATION OF FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022**

**BANCO PAULISTA S.A.**, registered with the CNPJ (Brazilian EIN) under number 61.820.817/0001-09, sends to the Central Bank of Brazil the financial statements and other documentation listed below for publication in the Financial Statements Center of the National Financial System in accordance with BCB Resolution 2, of August 12, 2020:

- Statements of financial position;
- Statements of profit or loss;
- Statements of comprehensive income
- Statements of changes in equity;
- Statements of cash flows; and
- Notes.

The financial statements shall be published on the Bank's website at the electronic address [www.bancopaulista.com.br](http://www.bancopaulista.com.br), on August 30, 2023.

**Management Responsibility Statement**

We acknowledge our responsibility for the publication of the financial statements and other documentation contained in this file. We have fulfilled our responsibility for preparing the financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions in accordance with the regulations issued by the National Monetary Council and the Central Bank of Brazil.

Please be advised that all transactions have been recorded in accounting and are reflected in the financial statements, the significant assumptions used by us in making accounting estimates are reasonable, and all events after the end of the reporting period and for which adjustments or disclosure are required have been adjusted or disclosed, and the effects of uncorrected misstatements are immaterial, either individually or in aggregate, to the financial statements as a whole.

We confirm that the financial statements and notes thereto are, on this date, duly approved for disclosure purposes by the competent levels of management and have been submitted to external audit, and the report thereto is an integral part of this electronic submission for publication on the Financial Statements Center.

São Paulo, August 29, 2023

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**Marcelo de Toledo Guimarães**  
Chief Executive Officer

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**Marcelo Chacon Ruiz**  
Director

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Ana Cristina Alves Afonso  
CRC 1SP234300.583/O-5

# Banco Paulista S.A.

Financial statements and independent auditor's report No. 238PN-013-EN

As of June 30, 2023



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## **MANAGEMENT REPORT**

**Dear Shareholders:** We present Banco Paulista's Financial Statements for the six-month periods ended June 30, 2023 and 2022, which follow the provisions established by the Central Bank of Brazil (BACEN) and the National Monetary Council (CMN).

**Profit or loss, Changes in equity, Assets, and Funding:** Banco Paulista ended the six-month period ended June 30, 2023 with a loss of R\$ 4.6 million and Equity of R\$ 184.8 million. Assets totaled R\$ 1.7 billion and were made up of R\$ 1.01 billion in Lending Operations and R\$ 307.8 million in Securities and Derivatives. Funds raised totaled R\$1.4 billion.

**Governance, Risk Management and Human Resources:** Banco Paulista has a Governance structure based on decision-making committees, departmental specialization, and segregation of duties.

**Circular 3068/01 – BACEN:** Banco Paulista hereby declares that it has the financial capacity and intention to hold to maturity the securities classified in the category 'Held-to-maturity securities', totaling R\$ 69.4 million, which account for 22.55% of total 'Securities and Derivatives Instruments Financial'.

Banco Paulista has adopted a set of actions and measures aimed at protecting the Bank and which have continually contributed to the dissemination and promotion of measures and good management and governance practices to maintain a principled, ethical, and transparent corporate environment .

The commitment of Banco Paulista's Management aims, in addition to fully complying with current laws and regulations, to position itself among companies that have the best transparency practices by committing to provide the market with relevant, timely, and reliable information.

**ACKNOWLEDGEMENTS:** The Management of Banco Paulista gratefully acknowledges its clients for their trust and employees for their continued commitment and dedication.

São Paulo, August 29, 2023

The Management

## **EXECUTIVE BOARD REPRESENTATION**

### **SECURITIES**

In compliance with BACEN Circular 3068/01, the Executive Board hereby declares its intention that BANCO PAULISTA S.A. holds to maturity the bonds and securities classified in the category 'Held-to-maturity securities', totaling R\$ 53,210 thousand (R\$ 47,618 thousand in 2022), presented in Note 6 to the financial statements.

The Executive Board also declares that the Bank has the financial capacity to hold such securities to their respective maturities.

### **FINANCIAL STATEMENTS**

The Executive Board declares hereby that it has reviewed, discussed and agreed with the opinions expressed in the independent auditor's report, as well as reviewed, discussed and agreed with the Bank's financial statements for the six-month period ended June 30, 2023, and has authorize their issuance on August 29, 2023.

### **INSTITUTIONAL OMBUDSMAN**

BANCO PAULISTA's Ombudsman structure complies with CMN Resolution 4860/2020, which provides its clients with access channels to the Ombudsman's Office and disseminates such channels through its bank correspondents, the internet, and communication materials. The Bank maintains its Ombudsman's Office as an extremely important instrument in the relationship with its clients and in strict compliance with legal and regulatory standards relating to consumer rights.

### **RAPPORT WITH THE INDEPENDENT AUDITOR**

In the six-month period ended June 30, 2023, BANCO PAULISTA did not contract or had any services provided by Grant Thornton Auditores Independentes Ltda. that would affect or could affect the independence necessary to carry out the external audit work of the financial statements. The policy adopted complies with the principles that preserve the auditor's independence, according to prevailing international standards, that mainly determine that the auditor should not either audit his or her its own work, function in the role of management in the client, or serve in a position of being an advocate for his or her client.

### **ACKNOWLEDGEMENTS**

The Management of Banco Paulista gratefully acknowledges its clients for their trust and employees for their continued commitment and dedication.

São Paulo, August 29, 2023

Banco Paulista S.A.

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**Marcelo de Toledo Guimarães**  
Chief Executive Officer

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**Marcelo Chacon Ruiz**  
Director

# Independent auditor's report on the financial statements

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**Grant Thornton Auditores  
Independentes Ltda.**

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To the Management and Shareholders of  
**Banco Paulista S.A.**  
São Paulo – SP

## Opinion

We have audited the financial statements of Banco Paulista S.A. ("Bank"), which comprise the statement of financial position as of June 30, 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the six-month period and year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, in all material respects, the financial position of Banco Paulista S.A. as of June 30, 2023, and its financial performance and cash flows for the six-month period and year then ended, in accordance with practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil (Bacen).

## Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are, further described in the "Auditor's Responsibilities for the audit of the financial statements" section of our report. We are independent of the Bank, in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants, and the professional standards issued by the Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

## Emphases of matter

### Ongoing proceedings

We draw attention to Notes 34.d and 39 to the financial statements, regarding the fact that in the six-month period ended on June 30, 2023, there were ongoing administrative proceedings within the scope of the Central Bank of Brazil (BACEN) and the Brazilian Federal Revenue Service (RFB), arising from the developments of the 61st and 74th phases of Operation Lava Jato. In the case of the Brazilian Central Bank (Bacen), the Bank signed a term of commitment reaffirming its actions to improve its anti-money laundering and countering the financing of terrorism (AML/CFT) procedures, together with the Brazilian Federal Revenue Service (RFB), registered its intention to join the Tax Litigation Reduction Program (PRLF). Subsequent to the reporting date of these financial statements, the Bank settled the amount of R\$12,081 thousand, referring to the fine of administrative proceedings initiated by the Central Bank. Our opinion is not qualified in respect of this matter.

### Transactions with related parties

We draw attention to Note 31 to the financial statements, which states that in the six-month period ended on June 30, 2023, the Bank carried out operations of: **(i)** assignment of loan transactions without recourse with Paulista – Companhia Securitizadora de Créditos Financeiros S.A in the amount of R\$ 1,400 thousand, which had an effect on the profit or loss for the six-month period ended June 30, 2023 in the amount of R\$ 1,375 thousand ; and **(ii)** assignment of court orders without co-obligation with the Bank's shareholders, in the amount of R\$ 71,452 thousand, which had an effect on the profit or loss for the six-month period ended June 30, 2023 in the amount of R\$ 14,464 thousand, related parties. Our opinion is not qualified in respect of this matter.

## Other matters

### Audit of figures corresponding to December 31, 2022

The Bank's financial statements for the six-month period and year ended on December 31, 2022 were audited by us and our report thereon, dated March 24, 2023, contained a disclaimer of opinion regarding the following matters: **(i)** Tax lawsuits and administrative proceedings filed by the regulator, ongoing, resulting from the 61st and 74th phases of Operation Lava Jato; **(ii)** Transactions with related parties.

### Audit of figures corresponding to June 30, 2022

The Bank's financial statements for the six-month period and year ended June 30, 2022 were audited by us, whose report thereon, dated August 26, 2022, contained a qualified opinion regarding the following matters: **(i)** Lack of supporting documentation to corroborate tax credits in the amount of R\$ 1,380 thousand; **(ii)** Limitation on the asset valuation adjustment balance; and **(iii)** Absence of audited financial statements of the Funds: **(a)** Siller Fundo de Investimento em Direitos Creditórios – Não Padronizados and **(b)** Structure Fundo de Investimento em Direitos Creditórios; and emphasis on: **(i)** Tax lawsuits and administrative proceedings filed by the regulator, ongoing, resulting from the 61st and 74th phases of Operation Lava Jato; **(ii)** Transactions with related parties.

## Information other than the financial statements and auditor's report thereon

The Bank's Management is responsible for this other information that is included in the Management Report.

Our opinion on the financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the works performed, we conclude that there is a material misstatement in the Management Report, we are required to disclose this fact. We have nothing to report in this regard.

## Responsibility of the management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Brazilian Central Bank (Bacen) and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless management either intends to liquidate the Institution and its subsidiaries, or cease operations, or has no realistic alternative to avoid doing so.

Those charged with governance of the Institution and its subsidiaries are those individuals responsible for overseeing the Institution's financial reporting process.

## Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve override of internal controls, collusion, forgery, intentional omissions, or misrepresentations;
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bank's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or modify our opinion, in case such disclosures are found to be inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

São Paulo, August 29, 2023

Grant Thornton Auditores Independentes Ltda.  
CRC 2SP-025.583/O-1



Rafael Dominguez Barros  
Accountant CRC 1SP-208.108/O-1

BANCO PAULISTA S.A.  
Statements of financial position  
On June 30, 2023 and December 31, 2022  
(In thousands of reais)

	Notes	30/06/2023	31/12/2022
<b>Assets</b>			
<b>Current</b>		<b>630,480</b>	<b>901,826</b>
<b>Cash and cash equivalents</b>		<b>70,960</b>	<b>66,578</b>
Cash assets	4a	960	1,568
Short-term interbank investments	4b	70,000	65,010
<b>Financial Instruments</b>		<b>519,660</b>	<b>813,964</b>
Short-term interbank investments	5	27,406	18,032
Securities	6	108,761	130,449
Derivative financial instruments	7	-	40
Interbank accounts	10	34,100	1,462
Lending operations - private sector	8	252,775	252,214
Trade and other receivables with characteristics of loans	8	88,564	401,577
Trade and other receivables without characteristics of loans	9	8,054	10,190
<b>Allowance for expected credit losses</b>		<b>(5,615)</b>	<b>(5,361)</b>
(-) Lending operations	8	(4,658)	(3,358)
(-) Trade and other receivables with characteristics of loans	8	(877)	(1,912)
(-) Trade and other receivables without characteristics of loans	9	(80)	(91)
<b>Other assets</b>		<b>45,475</b>	<b>26,645</b>
Prepaid expenses		136	-
Non-financial assets held for sale - received	11	3,647	3,381
Sundry	12	41,692	23,264
<b>Noncurrent</b>		<b>1,074,523</b>	<b>1,082,099</b>
<b>Financial instruments</b>		<b>979,810</b>	<b>991,727</b>
Securities	6	199,051	190,991
Lending operations - private sector	8	759,061	730,061
Trade and other receivables with characteristics of loans	8	5,547	6,486
Trade and other receivables without characteristics of loans	9	16,151	64,189
<b>Allowance for expected credit losses</b>		<b>(14,203)</b>	<b>(10,394)</b>
(-) Lending operations	8	(13,988)	(9,721)
(-) Trade and other receivables with characteristics of loans	8	(55)	(31)
(-) Trade and other receivables without characteristics of loans	9	(160)	(642)
<b>Tax credits</b>	30b	<b>32,864</b>	<b>31,772</b>
<b>Other assets</b>		<b>72,533</b>	<b>65,064</b>
Sundry	12	72,533	65,064
<b>Investments</b>	13	<b>2,076</b>	<b>1,752</b>
Other investments		2,076	1,752
<b>Property and equipment</b>		<b>1,084</b>	<b>1,102</b>
Properties on use		957	957
Other property and equipment in use		5,346	5,286
(-) Accumulated depreciation		(5,219)	(5,141)
<b>Intangible</b>	14	<b>359</b>	<b>1,076</b>
Intangible assets		5,646	6,124
(-) Accumulated amortization		(5,287)	(5,048)
<b>Total of assets</b>		<b>1,705,003</b>	<b>1,983,925</b>

The accompanying Management's notes are an integral part of these financial statements.

	Notes	30/06/2023	31/12/2022
<b>Liabilities</b>			
<b>Current</b>		<b>866</b>	<b>1,066,725</b>
<b>Deposits and other financial instruments</b>		<b>824,966</b>	<b>1,026,633</b>
Deposits	15	638,330	818,046
Money market funding - own portfolio	16	7,370	7,657
Funds from acceptances and issuance of securities	17	170,918	191,264
Payables due to borrowings and onlendings	17	7,803	9,192
Interbranch and interbank accounts	10	545	474
<b>Provisions</b>		<b>3,725</b>	<b>4,424</b>
Accrued liabilities	18	3,725	4,424
<b>Other liabilities</b>		<b>37,208</b>	<b>35,668</b>
Taxes payable		520	120
Taxes and social security	19a	8,389	14,277
Corporate and statutory		3,138	4,900
Sundry	19b	25,161	16,371
<b>Noncurrent</b>		<b>654,290</b>	<b>730,667</b>
<b>Deposits and other financial instruments</b>		<b>629,106</b>	<b>692,992</b>
Deposits	15	508,731	577,856
Funds from acceptances and issuance of securities	17	90,244	87,713
Subordinated debts	17	30,131	27,423
<b>Provisions</b>		<b>3,857</b>	<b>7,034</b>
Financial guarantees	33	47	80
Contingent liabilities	34b	3,810	6,954
<b>Other liabilities</b>		<b>21,327</b>	<b>30,641</b>
Sundry	19b	21,327	30,641
<b>Equity</b>	20	<b>184,814</b>	<b>186,533</b>
Share capital - in Brazil		184,300	184,300
Earnings reserves		602	5,158
Adjustment to fair value - securities and derivatives		(88)	(3)
<b>Total liabilities and equity</b>		<b>1,705,003</b>	<b>1,983,925</b>

# BANCO PAULISTA S.A.

## Statements of profit or loss

Six-month period ending on June 30, 2023 and 2022

(In thousands of reais)

	Notes	30/06/2023	30/06/2022
<b>Revenue from financial intermediation</b>		<b>146,176</b>	<b>114,208</b>
Lending operations	8h	113,057	72,912
Gain on short-term interbank investments and securities	5/6	29,666	42,012
Gain on derivative financial instruments	10	2,642	-
Gain (loss) on derivative financial instruments	7d	670	(663)
Gain (loss) on foreign exchange transactions		141	(53)
<b>Expenses on financial intermediation</b>		<b>(110,425)</b>	<b>(78,932)</b>
Money market funding	21	(105,502)	(76,664)
Allowance for expected credit losses	8e	(4,923)	(2,268)
<b>Gross profit from financial intermediation</b>		<b>35,751</b>	<b>35,276</b>
<b>Other operating income (expenses)</b>		<b>(43,282)</b>	<b>(27,268)</b>
Service revenue	22a	1,861	1,682
Income from banking fees	22b	9,869	18,846
Personnel expenses	23	(24,547)	(23,168)
Administrative expenses	24	(25,204)	(25,366)
Tax expenses	25	(6,098)	(5,213)
Expenses on provisions	26	(2,369)	914
Other operating income	27	27,220	11,717
Other operating expenses	28	(24,014)	(6,680)
<b>Operating profit or loss</b>		<b>(7,531)</b>	<b>8,008</b>
<b>Non-operating profit (loss)</b>	29	<b>(193)</b>	<b>353</b>
<b>Profit before taxes on income and profit sharing</b>		<b>(7,724)</b>	<b>8,361</b>
<b>Income tax and social contribution</b>	30	<b>3,414</b>	<b>(5,204)</b>
Provision for income tax		-	(1,558)
Provision for social contribution		-	(1,286)
Deferred tax assets		3,414	(2,360)
<b>Statutory profit sharing</b>		<b>(246)</b>	<b>(510)</b>
<b>(Loss) Net profit for the six-month period</b>		<b>(4,556)</b>	<b>2,647</b>
<b>(Loss) net per one thousand shares - R\$</b>		<b>(10.73)</b>	<b>6.24</b>

The accompanying Management's notes are an integral part of these financial statements.

**BANCO PAULISTA S.A.**  
**Statements of comprehensive income (loss)**  
**Six-month period ending on June 30, 2023 and 2022**  
**(In thousands of reais)**

	<b>30/06/2023</b>	<b>30/06/2022</b>
<b>(Loss) Net Profit for the six-month period</b>	<b>(4,556)</b>	<b>2,647</b>
<b>Other comprehensive income</b>	<b>2,837</b>	<b>230</b>
Available-for-sale financial instruments	5,159	419
Income tax and social contribution	(2,322)	(189)
<b>Comprehensive (Loss) Net Profit for the six-month period</b>	<b>(1,719)</b>	<b>2,877</b>

The accompanying Management's notes are an integral part of these financial statements.

**BANCO PAULISTA S.A.**  
**Statements of changes in equity**  
**Six-month period ending on June 30, 2023 and 2022**  
**(In thousands of reais)**

	Share capital	Earnings reserves		Adjustment to market value	Profit / Loss accumulated	TOTAL
		Legal reserve	Statutory reserve			
<b>Balances on December 31, 2021</b>	<b>184,300</b>	<b>240</b>	<b>2,550</b>	<b>(1,505)</b>	<b>-</b>	<b>185,585</b>
Net profit for the six-month period	-	-	-	-	2,647	2,647
Legal reserve	-	132	-	-	(132)	-
Statutory reserve	-	-	2,515	-	(2,515)	-
MtM adjustment - securities and derivatives	-	-	-	230	-	230
<b>Balances on June 30, 2022</b>	<b>184,300</b>	<b>372</b>	<b>5,065</b>	<b>(1,275)</b>	<b>-</b>	<b>188,462</b>
<b>Changes in the six-month period</b>	<b>-</b>	<b>132</b>	<b>2,515</b>	<b>230</b>	<b>-</b>	<b>2,877</b>
<b>Balances on December 31, 2022</b>	<b>184,300</b>	<b>603</b>	<b>4,555</b>	<b>(2,925)</b>	<b>-</b>	<b>186,533</b>
Loss in the six-month period	-	-	-	-	(4,556)	(4,556)
Statutory reserve	-	(1)	(4,555)	-	4,556	-
MtM adjustment - securities and derivatives	-	-	-	2,837	-	2,837
<b>Balances on June 30, 2023</b>	<b>184,300</b>	<b>602</b>	<b>-</b>	<b>(88)</b>	<b>-</b>	<b>184,814</b>
<b>Changes in the six-month period</b>	<b>-</b>	<b>(1)</b>	<b>(4,555)</b>	<b>2,837</b>	<b>-</b>	<b>(1,719)</b>

The accompanying Management's notes are an integral part of these financial statements.

**BANCO PAULISTA S.A.**  
**Statements of cash flows - Indirect method**  
**Six-month period ending on June 30, 2023 and 2022**  
**(In thousands of reais)**

	30/06/2023	30/06/2022
<b>Net profit adjusted for the six-month period</b>	<b>14,261</b>	<b>12,122</b>
<b>(Loss) Net Profit for the six-month period</b>	<b>(4,556)</b>	<b>2,647</b>
<b>Adjustments to reconcile profit to net cash</b>	<b>14,266</b>	<b>9,475</b>
Allowance for expected credit losses (Note 8e)	4,923	2,268
Provisions for deferred income tax and social contribution	(3,414)	2,360
Depreciation and amortization (Note 28)	391	492
Inflation adjustment of judicial deposits	(215)	(158)
Reversal of provision for civil, tax and labor risks	(451)	(1,636)
Reversals of judicial deposits	38	-
Provision for risks	6,003	1,282
Provisions for guarantees	5	136
Reversal of provisions for guarantees	(37)	-
Reversal of provisions for personal department	(1,135)	-
Reversal of provisions for court-ordered notes	(493)	-
Provisions for tax assessment notice - Federal Revenue Service (Note 19a)	390	782
Provisions for income tax and social contribution	-	2,844
Write-off in Intangible Assets	478	-
Reversal of provision for proceedings with RFB - Interest	1,951	-
Expenses on payroll loans - INSS / FGTS/SIAPE	8,497	1,906
Financial charges - Subordinated debt	2,708	-
MtM adjustment - securities	(2,536)	(571)
Adjustment to fair value - securities and derivatives	(2,837)	(230)
<b>Changes in assets and liabilities</b>		
(Increase) in investments in interbank deposits	(9,374)	(16)
Decrease in securities	21,838	51,017
(Increase) in interbranch and interbank accounts	(32,567)	(2,811)
(Increase) decrease in lending operations	(28,917)	(118,281)
(Increase) in other assets	(27,094)	(2,773)
Decrease in trading account and financial intermediation	-	1,402
Decrease in derivative financial instruments	40	801
Decrease in tax credits	2,322	188
(Increase) in trade and other receivables	362,622	79,159
(Decrease) in deposits	(248,841)	(16,599)
(Decrease) in money market funding	(287)	(21,036)
(Decrease) increase in other liabilities	(7,649)	1,926
(Decrease) in tax and social security obligations	(8,229)	(7,316)
(Decrease) increase in tax and social security obligations	(1,762)	(300)
(Decrease) increase in provisions	(7,768)	746
<b>Net cash (invested) on operating activities</b>	<b>28,595</b>	<b>(21,771)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment in use	(135)	(30)
Investments in intangible assets	-	(21)
Fixed assets disposed of	1	-
Investments	(324)	-
<b>Net cash provided by investing activities</b>	<b>(458)</b>	<b>(51)</b>
<b>Cash flow from financing activities</b>		
(Decrease) in borrowings and onlending	(1,389)	(5)
Increase in funds from acceptances and issuance of securities	(17,815)	21,735
Increase in subordinated debt	-	24,905
<b>Net cash provided by financing activities</b>	<b>(19,204)</b>	<b>46,635</b>
<b>Increase in cash and cash equivalents</b>	<b>8,933</b>	<b>24,813</b>
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the six-month period and years (Note 4)	66,578	121,809
Cash and cash equivalents at the end of six-month period and years (Note 4)	70,960	146,622
	<b>4,382</b>	<b>24,813</b>

The accompanying Management's notes are an integral part of these financial statements.

# **Banco Paulista S.A.**

Management's notes to the financial statements  
For the Periods Ended June 30, 2023 and December 31, 2022  
(In thousands of reais)

## **1. General Information**

Banco Paulista S.A. (Bank) is a privately held corporation controlled by Mr. Alvaro Augusto Vidigal and established as a multipurpose bank, primarily engaged in granting loans to medium- and large-sized entities, providing services and structuring operations for sale and distribution.

## **2. Basis of presentation and preparation of the financial statements**

- a) The financial statements have been prepared in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil (BACEN), which are based on the standards issued by the National Monetary Council (CMN) and BACEN, including CMN Resolution 4.818 and BCB Resolution 2, both from 2020, the pronouncements of the Accounting Pronouncements Committee (CPC) adopted in CMN or BACEN standards and Brazilian Corporate Law.

In accordance with Article 77 of CMN Resolution 4.966 of November 25, 2021, the Bank decided to exercise the option provided for in this Article, as mentioned in the paragraph above.

Accounting estimates are determined by Management, based on factors and assumptions established in reliance upon judgments. Significant items subject to these estimates and assumption include the provisions for adjustment of assets to the probable realizable or recoverable amount, allowances for losses, provisions for risks, mark-to-market of financial instruments, deferred taxes, among others.

The settlement of these transactions involving estimates may result in different amounts due to inaccuracies inherent in the estimation process. Estimates are revised on a periodic basis.

Management hereby represents that the disclosures made in the financial statements evidence all relevant information used in managing the Bank and that the accounting practices were applied consistently to all reporting periods.

In the process of convergence to the International Financial Reporting Standards, the Bank adopts technical pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee (CPC), as ratified by CMN and BACEN as of their effective date.

The financial statements were approved on August 29, 2023.

- b) The financial statements are presented in Brazilian reais, which is the Bank's functional currency. All financial information presented in reais were converted into thousands of reais, unless otherwise stated.

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## **3. Summary of significant accounting policies**

### **a) Recognition of profit or loss**

Finance income and costs are recorded on the accrual basis, on a daily pro rata basis. Fees and commissions received are recognized during the period services are provided (accrual basis).

Finance income and finance costs are calculated under the exponential method. Fixed-rate transactions are stated at redemption value and income and expenses for the future period are stated as a reduction of related assets and liabilities. Floating rate transactions are adjusted for inflation through the statement of financial position date based on the agreed-upon indexes. Fees and commissions on transactions with third parties, such as brokerage, are recognized when the service or transaction is performed.

### **b) Cash and cash equivalents**

Under Resolution 3.064/08, cash and cash equivalents include cash, bank deposits, highly liquid short-term investments, subject to an insignificant risk of change in value and limits, with maturity equal to or less than 90 days.

### **c) Financial Instruments**

#### **Short-term interbank investments**

Fixed rate transactions are recorded at their redeemable amount less income allocated to future periods, and floating rate transactions are recognized at cost plus income earned through the statement of financial position date, less impairment allowance, when applicable.

Investments in transactions under repurchase agreements are classified according to their maturity, regardless of the maturity terms of the papers backing the transactions.

#### **Securities and derivative financial instruments**

As established by BACEN Circular 3.068/01, portfolio securities are classified into three different categories, according to Management's intention, as follows:

Trading securities: stated in current assets, regardless of the related maturity dates, and comprise the securities acquired to be actively and frequently traded. They are stated at fair value and any profit or losses are recorded in profit or loss.



## Banco Paulista S.A.

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Available-for-sale securities: securities that were not acquired to be frequently traded and are used, among other purposes, for liquidity reserve, collaterals and hedge against risks. The income earned, at the acquisition rates, and possible impairment losses are recorded in profit or loss. These securities are stated at fair value and any profit or losses are recorded as a balancing item to a separate equity account (net of taxes) which will be transferred to profit or loss when realized.

Held-to-maturity securities: refer to acquired securities that Management has the intent and financial capacity to hold in portfolio up to their maturity. They are stated at acquisition cost, plus accrued earnings. Impairment losses, if any, are immediately charged to profit or loss. Derivative financial instruments consisting of futures, forward and swap transactions are accounted for under the following criteria:

- *Futures* – mark-to-market amounts are recorded on a daily basis in assets or liabilities and allocated either as income or expenses on a daily basis;
- *Forward transactions* – recorded at the final contract amount, less the difference between this amount and the fair value of the asset or right, with income and expenses recorded over the term of the contract through the statement of financial position date; and
- *Swap transactions* – the difference receivable or payable is accounted for at fair value in assets or liabilities, respectively, and recognized as income or expenses on a daily pro rata basis through the statement of financial position date.

Derivative transactions, not eligible for hedge accounting, are stated at fair value at the statement of financial position date, and the related appreciation or depreciation is accounted for as income or expenses in profit or loss for the period.

### Lending operations and allowance for expected credit losses

Lending operations (borrowing and financing) and other receivables (receivables without recourse) are recorded at present value calculated on a daily pro rata basis, according to the variation of the index and agreed-upon interest rate, adjusted through the 60th day of arrears, considering the expected collection.

Lending operations are classified according to Management's risk assessment, considering the economic conditions, past experience and specific risks related to the operation, debtors and guarantors, according to the parameters set forth by BACEN Resolution 2.682/99, which requires a periodic analysis of the portfolio and its classification into nine levels, from "AA" (minimum risk) to "H" (loss).

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Income from lending operations with maturity equal or above 60 days, regardless of their risk level, is only recognized as revenue when actually received.

H-rated loans remain under this rating for 180 days, when they are written off against the existing allowance and controlled for a minimum of five years in a memorandum account, no longer appearing on the statement of financial position.

Restructured lending operations remain at least in the same rating in which they were originally classified. Renegotiated loans that had been written off against the allowance and were maintained in memorandum accounts are rated as "H", and possible recoveries are only recognized as income when received.

For transactions with a term longer than 36 months, the Bank use double counting of the term, as permitted by Resolution 2.682/99 to determine the risk level. The allowance for expected credit losses, considered sufficient by the Management, is compliant with Resolution 2.682/99, as shown in Note 8.

### Trading account

Represents the intermediation of transactions carried out on stock exchanges, recognized at the amount of the commitments assumed, on behalf of customers. Brokerage is recognized on profit or loss on an accrual basis.

### Deposits, money market funding, funds from acceptances and issuance of securities, and payables due to onlendings and borrowings

Stated at the original amounts, plus charges incurred through the statement of financial position date, recognized on a daily pro rata basis. Foreign currency liabilities are adjusted at the exchange rates prevailing on the statement of financial position date. Money market funding is recorded in current liabilities according to the respective maturity terms, regardless of the maturity of the papers backing the transactions.

#### d) Investments

Investments are recognized at acquisition cost, less allowance for losses, where applicable.

#### e) Property and equipment and intangible assets

Represents the rights acquired in tangible and intangible assets for the maintenance of the Company's activities or exercised for such purpose.

## **Banco Paulista S.A.**

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Property and equipment items (tangible assets) are stated at acquisition cost. Depreciation of property and equipment is calculated on a straight-line basis at the following rates: 20% p.a. for vehicles and data processing system and 10% p.a. for other assets.

Intangible assets correspond to rights acquired in intangible assets for the maintenance of the Company's activities or exercised for such purpose. Recorded at acquisition cost, less accumulated amortization. Intangible assets with finite useful life are amortized based on its effective use or a method that reflects its economic benefits; intangible assets with indeterminate useful life are annually tested for impairment.

### **f) Impairment of non-financial assets**

The accounting recognition of an asset should evidence events or changes in economic, operating or technological circumstances that might indicate that an asset is impaired. Whenever evidence is identified and the net carrying amount exceeds the recoverable value, an allowance for impairment losses is recognized to adjust the carrying amount to the recoverable value. These allowances are recognized in profit or loss for the period/year, as provided for in CMN Resolution No. 3.566/08.

Except for tax credits, whose realization is assessed semiannually, the amounts of non-financial assets are tested for impairment at least annually.

### **g) Current and Deferred Income Tax and Social Contribution**

#### **Current**

The provisions for income tax (IRPJ) and social contribution (CSLL), as applicable, are calculated based on the book profit or loss adjusted by temporary and permanent additions or deductions. Income tax is calculated at a 15% rate, plus a 10% surtax on taxable income exceeding R\$ 240 in the year (R\$ 120 in the six-month period).

Social contribution is levied at the following rates:

- From January 2022 to July 2022 – 20%;
- From August 2022 to December 2022 – 21% (Decree 1,115); and
- January 2023 onwards – 20%.

#### **Deferred**

Deferred taxes are calculated on temporary additions, exclusions, and taxable income to be realized when the recognition bases are used and/or reversed based on the expected realization periods and considering technical studies and Management's analyses.

## Banco Paulista S.A.

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h) Contingent assets and contingent liabilities, and legal, tax and social security obligations

Contingent assets and contingent liabilities, and legal obligations are recognized, measured, and disclosed in accordance with the criteria set forth in Resolution No. 3.823/09 and CPC 25, issued by the Accounting Pronouncements Committee (CPC), based on the following criteria:

Contingent assets – are not recognized in the financial statements, except when there is evidence that they will materialize and when they are no longer subject to appeals.

Contingent liabilities – are recognized in the financial statements when, based on the opinion of the legal counsel and Management, the risk of loss in a lawsuit or administrative proceeding is assessed as probable, with a probable disbursement of resources to settle the obligations, and when the relevant amounts can be reliably measured. Contingent liabilities assessed by the legal counsel as possible loss are disclosed in the notes to the financial statements whereas those assessed as remote loss are neither accrued nor disclosed.

Legal obligations (tax and social security) – refer to lawsuits challenging the legality and constitutionality of certain taxes (or fees and contributions). The amount under litigation is quantified, recognized, and adjusted on a monthly basis.

i) Other current and noncurrent assets and liabilities

Stated at their realizable or settlement amounts and include income, charges, inflation adjustments, or exchange rate changes earned and/or incurred through the reporting date, calculated on a daily pro rata basis, and, when applicable, less allowance for losses to reflect their realizable value. Receivables and payables due within 12 months are classified in current assets and current liabilities, respectively.

j) Earnings (loss) per share

Earnings (loss) per share are calculated based on the number of shares outstanding at the statement of financial position date.

k) Recurring and nonrecurring profit or loss

Article 34 of BCB Resolution No. 2, of August 12, 2020, requires the disclosure of recurring and nonrecurring profit or loss separately. Nonrecurring profit or loss for the year is defined as: I – the one that is not related or is incidentally related to the institutions' core activities; and II – the one that is not expected to occur frequently in future years.

The nature and financial effect of events considered nonrecurring are disclosed in Note 37.

## Banco Paulista S.A.

Management's notes to the financial statements  
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### 4. Cash and cash equivalents

As of June 30, 2023 and December 31, 2022, cash and cash equivalents were broken down as follows:

a) Cash assets

	<u>06/30/2023</u>	<u>12/31/2022</u>
Cash in local currency	411	968
Cash in foreign currency	549	600
<b>Cash and cash equivalents</b>	<b><u>960</u></b>	<b><u>1,568</u></b>

b) Money market investments

	<u>06/30/2023</u>		<u>12/31/2022</u>
	<u>1 to 30 days</u>	<u>Total</u>	<u>Total</u>
<b>Money market investments</b>			
<b>Own portfolio</b>	<b><u>70,000</u></b>	<b><u>70,000</u></b>	<b><u>65,010</u></b>
National Treasury Bill (LTN)	70,000	70,000	-
National Treasury Notes (NTNs)	-	-	65,010
<b>Total</b>	<b><u>70,000</u></b>	<b><u>70,000</u></b>	<b><u>65,010</u></b>

In the six-month period ended June 30, 2023, the result on transactions under repurchase agreements was R\$3,448 (R\$7,720 in 2022).

### 5. Interbank deposits

Investments in interbank deposits

	<u>06/30/2023</u>	<u>12/31/2022</u>
Up to 90 days	17,662	18,032
91 to 360 days	9,744	-
<b>Total</b>	<b><u>27,406</u></b>	<b><u>18,032</u></b>

In the six-month period ended June 30, 2023, income from interbank deposits was R\$1,408 (R\$183 in 2022).

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### 6. Securities

#### a) Securities – Breakdown by classification

	06/30/2023		12/31/2022	
	Cost (i)	Carrying amount (ii)	Cost (i)	Carrying amount (ii)
<b>Trading securities</b>				
<b>Own portfolio - trading</b>	<b>24,085</b>	<b>24,091</b>	<b>45,909</b>	<b>46,127</b>
Financial Treasury Bills (LFTs)	19,186	19,192	40,084	40,090
Agricultural Debt Securities (TDAs)	1	1	1	1
Units in Investment Funds (CFIs) (iii)	4,545	4,545	4,511	4,511
Debentures	-	-	783	995
Shares of listed companies	69	69	63	63
Certificates of Real Estate Receivables (CRIs)	284	284	467	467
<b>Total trading securities</b>	<b>24,085</b>	<b>24,091</b>	<b>45,909</b>	<b>46,127</b>
<b>Available-for-sale securities</b>				
<b>Own portfolio - trading</b>	<b>207,211</b>	<b>202,251</b>	<b>223,708</b>	<b>215,666</b>
Financial Treasury Bills (LFT)	8,335	8,342	22,179	22,204
National Treasury Notes (NTN)	127,465	121,971	120,636	112,570
Agricultural Debt Securities (TDAs)	4	3	4	3
Units in Investment Funds (CFIs) (iii)	66,407	71,935	80,889	80,889
<b>Linked to repurchase agreements</b>	<b>12,245</b>	<b>12,046</b>	<b>8,333</b>	<b>7,776</b>
Financial Treasury Bills (LFTs)	4,528	4,530	-	-
National Treasury Notes (NTNs)	7,717	7,516	8,333	7,776
<b>Linked to guarantees given (iv)</b>	<b>-</b>	<b>-</b>	<b>4,249</b>	<b>4,253</b>
Financial Treasury Bills (LFTs)	-	-	4,249	4,253
<b>Total available-for-sale securities</b>	<b>219,456</b>	<b>214,297</b>	<b>236,290</b>	<b>227,695</b>
<b>Held-to-maturity securities (v)</b>				
<b>Own portfolio - trading</b>	<b>53,210</b>	<b>69,424</b>	<b>47,618</b>	<b>47,618</b>
Units in Investment Funds (CFIs) (iii)	53,210	53,210	-	-
Units in Receivables Funds (FIDCs) (iii)	-	-	47,618	47,618
Bank Deposit Certificate	-	16,214	-	-
<b>Total held-to-maturity securities (iv)</b>	<b>53,210</b>	<b>69,424</b>	<b>47,618</b>	<b>47,618</b>
<b>Total</b>	<b>296,751</b>	<b>307,812</b>	<b>329,817</b>	<b>321,440</b>

#### (i) Cost value

For fixed income securities, which refers to acquisition cost plus income earned through the statement of financial position date; for shares, the acquisition cost is considered. Units in Investment Funds and Units in Receivables Funds refer to the cost adjusted to UP which is provided by their respective fund administrators.

## Banco Paulista S.A.

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### (ii) Market value

The market value of public securities is determined according to disclosures made in daily bulletins provided by ANBIMA – Brazilian Financial and Capital Markets Association. Shares and debentures are valued based on the closing price of the last day they were traded on stock exchange. Private securities are recorded at cost plus daily income earned and adjusted to market value. The units in investment funds are adjusted based on the unit price disclosed by the fund administrator.

### (iii) Investments in investment fund units:

	<b><u>FUNDS</u></b>	<b><u>06/30/2023</u></b>	<b><u>12/31/2022</u></b>
FIP	Industrial Parks Brasil FIP Multiestratégia (A)	1,516	1,548
FIDC	Esmeralda - Fundo de Investimento em Direitos Creditórios (b)	3,029	2,963
	<b><i>Total funds Invested for trading</i></b>	<b>4,545</b>	<b>4,511</b>
FIC FIM	Supra Mid Fundo de Investimento em Cotas de Fundos de Investimento Multimercado - Crédito Privado (d)	10,980	10,195
FIDC	BPD - Consignado Fundo De Investimento Em Direitos Creditórios (d)	58,628	-
FIC FIM	Paulista Consignado Fundo de Investimento em Cotas de Fundos de Investimento Multimercado Crédito Privado (e)	-	68,339
FIDC	Esmeralda - Fundo de Investimento em Direitos Creditórios (b)	1,720	1,763
FII	Singulare Fundo de Investimento Imobiliário (c)	602	587
FIP	Industrial Parks Brasil FIP Multiestratégia (a)	5	5
	<b><i>Total Funds Invested available for sale</i></b>	<b>71,935</b>	<b>80,889</b>
FIDC	Structure Fundo de Investimento em Direitos Creditórios (f)	53,210	47,618
	<b><i>Total funds Invested held to maturity</i></b>	<b>53,210</b>	<b>47,618</b>
	<b><i>Total</i></b>	<b>129,690</b>	<b>133,018</b>

- (a) Industrial Parks Fundo de Investimento em Participações Multiestratégia (Fund), administered by Lions Trust Administradora de Recursos Ltda., was created on August 19, 2008 as a closed-end fund under CVM Instruction No. 391, dated July 16, 2003, superseded by CVM Instruction No. 578, dated August 30, 2016, with duration set for November 19, 2023.

The Fund is in liquidation phase and most of the assets were accomplished at the beginning of 2021.

- (b) Esmeralda – Fundo de Investimento em Direitos Creditórios (Fund) began its operations on February 8, 2017 and was established as a closed-end fund, with an indefinite duration. It is administered by Singulare Corretora de Títulos e Valores Mobiliários S.A.

As of June 30, 2023, the Bank holds 9,290.43 subordinated shares, representing 19.6% of issued shares.

## Banco Paulista S.A.

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- (c) Singulare Fundo De Investimento Imobiliário (FII) is a real estate investment fund, established on August 28, 2012 as a closed-end fund, managed by Singulare Corretora de Títulos e Valores Mobiliários S.A., with an indefinite duration.

As of June 30, 2023, the Bank holds 2,009 subordinated shares, representing 7.6% of issued shares.

- (d) Supra Mid Fundo de Investimento em Cotas de Fundos de Investimento Multimercado – Crédito Privado ("Supra Mid"), started operations on August 18, 2020 as a closed-end funds administered by Singulare Corretora de Títulos e Valores Mobiliários S.A., with indefinite duration.

The Bank's investment in "SUPRA MID" is represented by the acquisition of Senior units.

On June 30, 2023, the equity interest of the Bank represented 62.7% of "SUPRA MID" equity.

- (e) The Bank has funds invested in units in "Paulista Consignado II – Fundo de Investimento em Cotas de Fundos de Investimento Multimercado – Crédito Privado" (FIC FIM II), which held units in "BPD Consignado Fundo de Investimento em Direitos Creditórios" (BPD FIDC).

Fundo Consignado II was created on June 01, 2021 as a closed-end fund with indeterminate duration, it was closed in March 2023. The Fund was administered and managed by Singulare Corretora de Títulos e Valores Mobiliários S.A.

With the resources from the redemption of FIC Fim II, the Bank, which held an indirect stake in BPD, acquired 74,258 senior shares of the BPD FIDC Fund.

During 2022, the Bank assigned payroll loans to BPD Fundo de Investimentos em Direitos Creditórios Consignados for the amount of R\$50,142, whose notional value amounted to R\$78,772. The profit from this Assignment in the Fiscal Year of 2022 was R\$11,833, recorded under the heading "Profit from assignment of receivables".

There were no Assignments from the Bank to the BPD FIDC Fund in the 1st half of 2023.

- (f) Structure Fundo de Investimento em Direitos Creditórios, started operations on November 29, 2019 as a closed-end funds, administered by Singulare Corretora de Títulos e Valores Mobiliários S.A., with a duration of 61 months.

The Bank's investment in said fund is represented by the acquisition of mezzanine subordinated units.



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(iv) Linked to guarantees given

Securities pledged as collaterals refer to securities linked to transactions traded on B3 S.A.- Brasil, Bolsa, Balcão in the amount of de R\$4,253 on December 31, 2022 (there was no balance as of June 30, 2023). These securities may be replaced with other securities if selling them is needed.

- (v) In compliance with Bacen Circular 3068 of November 8, 2001, the Bank declares that it has the financial capacity and the intention to hold until maturity the bonds and securities classified in the category 'Held-to-maturity securities', totaling R\$69,424 (R\$47,618 in 2022).

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### b) Securities – Breakdown by maturity

	06/30/2023						12/31/2022
	Without maturity	up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total	Total
<b>Trading securities</b>							
Financial Treasury Bills (LFTs)	-	-	-	-	19,192	19,192	40,090
Agricultural Debt Securities (TDAs)	-	-	1	-	-	1	1
Investment fund units (CFIs)	4,545	-	-	-	-	4,545	4,511
Debentures	-	-	-	-	-	-	995
Shares of listed companies	69	-	-	-	-	69	63
Certificates of Real Estate Receivables ("CRIs")	-	-	284	-	-	284	467
<b>Total trading securities (i)</b>	<b>4,614</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>19,192</b>	<b>24,091</b>	<b>46,127</b>
<b>Available-for-sale securities</b>							
Financial Treasury Bills (LFTs)	-	3,146	4,356	-	5,370	12,872	26,457
National Treasury Notes (NTNs)	-	-	-	-	129,487	129,487	120,346
Agricultural Debt Securities (TDAs)	-	-	-	3	-	3	3
Investment fund units (CFIs)	60,955	-	-	-	10,980	71,935	80,889
<b>Total available-for-sale securities (i)</b>	<b>60,955</b>	<b>3,146</b>	<b>4,356</b>	<b>3</b>	<b>145,837</b>	<b>214,297</b>	<b>227,695</b>
<b>Held-to-maturity securities</b>							
Investment fund units (CFIs)	-	-	-	-	53,210	53,210	-
Units in Receivables Funds (FIDCs)	-	-	-	-	-	-	47,618
Bank Deposit Certificate	-	16,214	-	-	-	16,214	-
<b>Total held-to-maturity securities</b>	<b>-</b>	<b>16,214</b>	<b>-</b>	<b>-</b>	<b>53,210</b>	<b>69,424</b>	<b>47,618</b>
<b>Total</b>	<b>65,569</b>	<b>19,360</b>	<b>4,641</b>	<b>3</b>	<b>218,239</b>	<b>307,812</b>	<b>321,440</b>

(i) In breaking down the terms, the maturity of the papers, regardless of their accounting classification, was considered.

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In the six-month period ended June 30, 2023, gain on securities investment was R\$24,810 (R\$ 34,109 in 2022).

Public securities are under the custody of the Special Settlement and Custody System (SELIC) whereas private securities and units and Funds, B3.

There was no reclassification of categories of securities in the six-month period ended June 30, 2023 and the year ended December 31, 2022.

### 7. Derivative financial instruments

The Bank conducts transactions involving derivatives, recorded in statement of financial position and memorandum accounts, which are primarily intended for the Bank to manage its overall exposure to risk.

Sales of derivatives with the underlying counterparts is preceded by an evaluation of the credit risks involved.

As of June 30, 2023 and December 31, 2022, derivative financial instruments recorded in statement of financial position accounts, including MtM, are as follows:

	06/30/2023				12/31/2022			
	Notional amount	Assets	Liabilities	Net	Notional amount	Assets	Liabilities	Net
Non-deliverable Forwards (NDFs)	-	-	-	-	23,715	40	-	40
Total	-	-	-	-	23,715	40	-	40

#### a) Analytical breakdown of transactions

	06/30/2023		12/31/2022	
Description	Notional amount (in reais)	Asset amount receivable/ (payable)	Notional amount (in reais)	Asset amount receivable/ (payable)
Term				
Real v. USD	-	-	23,715	40
Total	-	-	23,715	40

#### b) Derivatives mature as follows:

	06/30/2023		12/31/2022	
Description	Up to 3 months	Total	Up to 3 months	Total
Non-deliverable forwards (NDFs)	-	-	40	40

The determination of derivatives at market value is based on quotes disclosed by specialized stock exchanges and, in certain cases, pricing techniques are used.

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The Bank has derivative financial instrument operations carried out in the futures market – B3, such operations are exclusively linked to future indexes of foreign currencies and have no notion amount as of June 30, 2023 and December 31, 2022 presents a balance of R\$23,958, with no adjustment receivable being determined in this period and on December 31, 2022.

All derivative transactions performed by the Bank are registered with B3. DI futures and foreign currency contracts are primarily used as instruments limiting funding rates, due to mismatch of terms, currencies and/or indexes with asset transactions.

### c) Call margin

The following assets are pledged as collateral in conducting derivative transactions:

	<u>06/30/2023</u>	<u>12/31/2022</u>
Financial Treasury Bills (LFTs)	4,530	4,253
<b>Total</b>	<b><u>4,530</u></b>	<b><u>4,253</u></b>

### d) Gain (loss) on derivative financial instruments

Gain (loss) on derivative transactions in the years ended June 30, 2023 and 2022 are as follows:

	<u>06/30/2023</u>	<u>06/30/2022</u>
Futures	2,498	2,824
Non-deliverable forwards - NDF	(1,828)	(3,487)
<b>Total</b>	<b><u>670</u></b>	<b><u>(663)</u></b>

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### 8. Lending operations – private sector

As of June 30, 2023 and on December 31, 2022, lending operations are broken down as follows:

#### a) By type of operation

	<u>06/30/2023</u>	<u>12/31/2022</u>
<b>Lending operations</b>		
Loans and factoring	837,834	766,892
Financing - Export credit bills	112,432	143,071
Financing - Rural to agribusiness	32,985	38,148
Assignment with co-obligation	28,585	34,164
	<b>1,011,836</b>	<b>982,275</b>
 <b>Other receivables</b>		
Receivables without recourse	94,111	408,063
	<b>94,111</b>	<b>408,063</b>
 <b>Total lending operations</b>	<b>1,105,947</b>	<b>1,390,338</b>
 Expected credit losses	(18,646)	(13,079)
Other expected credit losses	(932)	(1,943)
 <b>Total expected credit losses</b>	<b>(19,578)</b>	<b>(15,022)</b>
 <b>Total</b>	<b>1,086,369</b>	<b>1,375,316</b>

#### b) By sector

	<u>06/30/2023</u>		<u>12/31/2022</u>	
	<b>PORTFOLIO</b>	<b>ECL</b>	<b>PORTFOLIO</b>	<b>ECL</b>
Private sector				
Industry	134,459	(1,509)	150,318	(1,411)
Commerce	148,198	(6,522)	330,554	(4,916)
Analyst	200,375	(4,398)	256,100	(3,316)
Individuals	594,330	(6,717)	619,202	(5,208)
Assignment with co-obligation	28,585	(432)	34,164	(171)
 <b>Total</b>	<b>1,105,947</b>	<b>(19,578)</b>	<b>1,390,338</b>	<b>(15,022)</b>

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### c) By maturity

	06/30/2023	12/31/2022
Past due	23,967	15,108
Falling due		
up to 90 days	152,916	405,135
91 to 180 days	33,667	145,195
181 to 360 days	130,789	88,352
over 360 days	764,608	736,548
<b>Total</b>	<b>1,105,947</b>	<b>1,390,338</b>

### d) Credit concentration

	06/30/2023	12/31/2022
<b>Customers</b>		
10 biggest customers	156,074	227,398
11 to 60 biggest customers	287,014	342,900
61 to 160 biggest customers	121,847	225,037
Other	541,012	595,003
<b>Total</b>	<b>1,105,947</b>	<b>1,390,338</b>

### e) Portfolio breakdown by risk rating

Rating	Portfolio balances					
	06/30/2023				12/31/2022	
	Regular way	Past due	Total	%	Total	%
AA	-	-	-	-	202,751	14.58
A	553,577	-	553,577	50.05	486,389	34.98
B	479,219	5,157	484,376	43.80	635,658	45.72
C	32,085	2,314	34,399	3.11	53,008	3.81
D	17,099	4,741	21,840	1.97	2,336	0.17
E	-	3,159	3,159	0.29	7,718	0.56
F	-	1,169	1,169	0.11	428	0.03
G	-	697	697	0.06	564	0.04
H	-	6,730	6,730	0.61	1,486	0.11
<b>Total</b>	<b>1,081,980</b>	<b>23,967</b>	<b>1,105,947</b>	<b>100.00</b>	<b>1,390,338</b>	<b>100.00</b>

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Rating	Provision						
	06/30/2023				12/31/2022		
	% of allowance	Regular way	Past due	Total	%	Total	%
A	0.5	2,768	-	2,768	14.14	2,432	16.19
B	1.0	4,792	51	4,843	24.74	6,356	42.31
C	3.0	963	69	1,032	5.27	1,590	10.59
D	10.0	1,709	474	2,183	11.15	234	1.56
E	30.0	-	948	948	4.84	2,315	15.41
F	50.0	-	585	585	2.99	214	1.42
G	70.0	-	489	489	2.50	395	2.63
H	100.0	-	6,730	6,730	34.37	1,486	9.89
Total		<b>10,232</b>	<b>9,346</b>	<b>19,578</b>	<b>100.00</b>	<b>15,022</b>	<b>100.00</b>

### f) Changes in the allowance for expected credit losses

	06/30/2023	12/31/2022
Opening balance at the beginning of the six-month period/year	15,022	8,304
Allowances, net	4,923	6,788
Loans derecognized against loss	(367)	(70)
Closing balance at the end of the six-month period/year	<b>19,578</b>	<b>15,022</b>

### g) Renegotiated and recovered receivables

There was no reclassification between categories of securities for the six-month period ended June 30, 2023 and the year ended December 31, 2022.

In the year ended June 30, 2023, renegotiated receivables amounted to R\$4,755 (R\$5,367 for the year ended December 31, 2022). There receivables were renegotiated in 2020.

In the six-month period ended June 30, 2023, recovered receivables amounted to R\$292 (R\$3,819 in 2022). In this amount it is included the profit for repurchase of credits made with Paulista Companhia Securitizadora de Créditos Financeiros.

### h) Assignment of receivables

In December 2020, the Bank entered into an agreement establishing general conditions for the assignment and acquisition of receivables with a financial institution duly authorized to operate by the Central Bank of Brazil ("BACEN"), relating to payroll loans arising from borrowings and credit card transactions to retired persons and insureds enjoying INSS benefits.

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During the year ended June 30, 2023, the Bank acquired receivables under the "Agreement" for R\$26,408 (R\$297,705 in 2022), whose notional values amounted to R\$48,395, resulting in a gain during the year of R\$43,727 (R\$26,754 in 2022), recorded in 'Income from financial intermediation – Lending operations'.

The average acquisition rate was 1.62% for each one of the assigned receivables, recorded in "Other assets – Sundry" (Note 12) for the amount of R\$ 47,234 (R\$ 39,087 in 2022), which has been deferred over the term of the contracts acquired and recorded in "Other operating expenses – Deferral payroll loans INSS", totaling R\$ 11,109 (R\$ 1,906 in 2022) (note 28).

On August 26, 2022, the Bank assigned its own assigned receivables with co-obligation. As of June 30, 2023, the balance of receivables assigned with co-obligation totaled R\$28,585 (R\$34,164 in 2022), according to note 8b. The obligation pegged to this assignment totaled R\$35,383 (R\$42,334 in 2022), according to Note 19b.

During the year ended June, 30 2023, the Bank assigned without co-obligation to Paulista Companhia Securitizadora de Créditos Financeiros, receivables previously assigned, at the amount R\$ 1,400, which notional values accounted for R\$ 2,201. The net profit or loss from this Assignment was R\$1,375.

### i) Income from lending operations

	<u>06/30/2023</u>	<u>06/30/2022</u>
Loans and factoring	55,426	50,401
Financing	11,191	10,299
Recovery of receivables written off as losses (i)	292	3,819
Advances on deposits	22	35
Income from rural financing	2,399	1,396
Acquisition of receivables - without co-obligation (ii)	43,727	6,962
<b>Total profit from lending operations</b>	<b><u>113,057</u></b>	<b><u>72,912</u></b>

- (i) In 2022, it refers to Profit with the Repurchase of receivables previously assigned to the Securitization Company; and
- (ii) Substantial increase in relation to acquisition of receivables without recourse.



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### 9. Trade and other receivables with characteristics of loans

	06/30/2023	12/31/2022
<b>Current</b>		
Federal court-ordered debts ("precatórios") (*)	8,054	10,190
<b>Total current</b>	<b>8,054</b>	<b>10,190</b>
<b>Noncurrent</b>		
Municipal court-ordered debts ("precatórios")	6,675	5,141
State court-ordered debts ("precatórios")	3,483	58,257
Federal court-ordered debts ("precatórios") (*)	5,993	791
<b>Total noncurrent</b>	<b>16,151</b>	<b>64,189</b>
	<b>24,205</b>	<b>74,379</b>
<b>(-) Allowance for losses</b>	<b>(240)</b>	<b>(733)</b>
<b>Total (i)</b>	<b>23,965</b>	<b>73,646</b>

(\*) Balance comprised of court-ordered debts ("precatórios") already issued by the federal government, a state or a municipal government arising from lawsuits for which a final unappealable decision has been issued, maturing between 2023 and 2030.

(i) Decrease is substantially due to the Assignment of court-ordered debts ("precatórios") to the Bank's shareholders (note 31).

### 10. Interbranch and interbank accounts

	06/30/2023	12/31/2022
<b>Assets - current</b>		
Clearing Services - Check and other papers	2,851	-
Voluntary deposits - BACEN (i)	29,900	-
State-owned banks - Deposits linked to agreements (ii)	1,349	1,462
<b>Total</b>	<b>34,100</b>	<b>1,462</b>
<b>Liabilities - current</b>		
Clearing Services - Check and other papers	75	-
Correspondent banks	470	474
<b>Total</b>	<b>545</b>	<b>474</b>

(i) These are voluntary time deposits, at the Central Bank of Brazil, in accordance with BCB Resolution 129/2021. In the year ended June 30, 2023, income from interbank deposits was R\$2,642 (there was no balance in 2022); and

(ii) Refers to checks deposited in Caixa Econômica Federal (CEF), arising from the Ministry of Cities and Agencies under Special Agreements (state and municipal agencies and the Federal District and Housing Cooperatives) under the National Program for Support to Social Interest Housing – PSH.

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### 11. Non-financial assets held for sale – received

Comprised of assets not intended for own use (BNDU), repossessed by the Bank due to debtors' default in paying loans:

	06/30/2023	12/31/2022
<b>Current</b>		
Vehicles	502	502
Properties (for housing purposes) (i)	3,145	2,879
<b>Total</b>	<b>3,647</b>	<b>3,381</b>

(i) Value recorded at cost, according to the appraisal report that did not show impairment.

### 12. Other assets – Sundry

	06/30/2023	12/31/2022
<b>Current</b>		
Recoverable taxes (i)	16,129	5,991
Sundry debtors - Brazil (other portfolios)	4,202	2,636
Sundry debtors - Brazil (contracts to be settled)	1,975	-
Sundry debtors - Brazil (assignments to be settled)	1,663	-
Funding commissions deferred	2,301	2,374
Premium or discount due to transfer of assets - INSS payroll loans (ii)	11,733	9,493
Premium or discount due to transfer of assets - Advance on FGTS anniversary withdrawal (ii)	1,257	1,302
Premium or discount due to transfer of assets - SIAPE (ii)	506	-
Other	1,926	1,468
	<b>41,692</b>	<b>23,264</b>
<b>Noncurrent</b>		
Recoverable taxes (i)	27,715	25,792
Advances on foreign exchange contracts	673	673
Funding commissions deferred	2,035	1,896
Premium or discount due to transfer of assets - INSS payroll loans (ii)	29,963	24,879
Premium or discount due to transfer of assets - Advance on FGTS anniversary withdrawal (ii)	2,407	3,413
Premium or discount due to transfer of assets - SIAPE - Acquisition (ii)	1,368	-
Debtors for security deposits (Note 34b)	8,372	8,411
<b>Total</b>	<b>72,533</b>	<b>65,064</b>

(i) Mainly represented by prepayment of prior year income tax and social contribution which were not offset and recoverable INSS; and

(ii) Amounts relating to deferral of prices of receivables acquired as described in Note 8h.

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### 13. Investments

	06/30/2023	12/31/2022
CERTA - Central de Registro de Títulos e Ativos S.A.	1,792	1,468
Other investments	284	284
<b>Total</b>	<b>2,076</b>	<b>1,752</b>

### 14. Intangible assets

	Amortization rate	Cost	Amortization	06/30/2023	12/31/2022
Software	20%	5,646	(5,287)	359	598
Other intangible assets (*)	-	-	-	-	478
<b>Total</b>	<b>-</b>	<b>5,646</b>	<b>(5,287)</b>	<b>359</b>	<b>1,076</b>

As required by CPC 01, as of December 31, 2022, the Bank tested intangible assets for impairment for indications that the carrying amount of the assets exceeded their recoverable value, due to the adverse economic effects of the Covid-19 pandemic.

In 2023, the Bank entered into the "Termination of the Trademark License Agreement", of the brand "Reserva Metais", resulting in the derecognition of this asset amounting to R\$478, recognized in line item 'Other non-operating expenses' (Note 29).

### 15. Deposits

#### a) By maturity:

	06/30/2023				12/31/2022
	Without maturity	1 to 90 days	91 to 360 days	Over 360 days	Total
Demand - local currency	56,119	-	-	-	56,119
Demand - foreign currency	3	-	-	-	3
Interbank deposits	-	7,434	-	-	7,434
Time deposits	-	151,551	423,223	508,731	1,083,505
<b>Total</b>	<b>56,122</b>	<b>158,985</b>	<b>423,223</b>	<b>508,731</b>	<b>1,147,061</b>
					<b>1,395,902</b>

In the year ended June 30, 2023, expenses on "Deposits" were R\$ 81,807 (R\$ 58,855 in 2022) and expenses on "Credit Guarantee Fund" amounted to R\$ 903 (R\$ 864 in 2022). (Note 21)

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b) Average rate applied:

	06/30/2023		12/31/2022	
	Fixed rate	Floating	Fixed rate	Floating
Interbank deposits	n/a	100.00	n/a	99.60
Time deposits	14.50	114.36	15.5	112.86

Rates used to raise floating CDB were from 95% to 125% of CDI (90% to 125% of CDI in 2022). For DI, a rate of 100.00% of CDI was used (99.60% of CDI in 2022).

## 16. Money market funding

	06/30/2023		12/31/2022
	1-30 days	Total	Total
Own portfolio	7,370	7,370	7,657
National Treasury Notes (NTN)	7,370	7,370	7,657
Total	7,370	7,370	7,657

In the year ended June 30, 2023, expenses on money market funding were R\$ 1,359 (R\$ 2,665 in 2022). (Note 21)

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### 17. Borrowings and onlendings; funds from acceptances and issuance of securities and subordinated debts

	06/30/2023					12/31/2022
	Without maturity	1-90 days	91 to 180 days	181 to 360 days	Over 360 days	Total
<b>Payables due to onlendings</b>	<b>7,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,803</b>
Domestic onlendings - state-owned institutions (i)	7,803	-	-	-	-	7,803
<b>Funds from acceptances and issuance of securities</b>	<b>-</b>	<b>47,425</b>	<b>97,244</b>	<b>26,249</b>	<b>90,244</b>	<b>261,162</b>
Obligations on issuance of Agricultural Receivables Notes (LCAs) (ii)	-	26,356	66,085	1,357	85,431	179,229
Obligations on Real Estate Receivables Bills (LCIs) (iii)	-	21,069	31,159	24,892	4,813	81,933
<b>Subordinated debts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,131</b>	<b>30,131</b>
Subordinated debts eligible to capital (iv) (note 31)	-	-	-	-	30,131	30,131
<b>Total</b>	<b>7,803</b>	<b>47,425</b>	<b>97,244</b>	<b>26,249</b>	<b>120,375</b>	<b>299,096</b>
						<b>315,592</b>

- (i) Domestic onlendings refer to resources deposited arising from the Ministry of Cities and Agencies under Special Agreements (state and municipal agencies and the Federal District and Housing Cooperatives) under the National Program for Support to Social Interest Housing – PSH;
- (ii) Refer to Agricultural Receivables Notes (LCA). A rate from 95% to 115% of CDI was used (106% to 110% of CDI in 2022);
- (iii) Refer to Real Estate Receivables Bills with the Bank's controlling shareholder (Note 31); and
- (iv) Refers to Treasury Bills containing subordination clauses corresponding to instruments eligible to Tier-II capital authorized according to Resolution No. 4.192/13.

In the six-month period ended June 30, 2023, expenses on 'Deposits' totaled R\$18,725 (R\$13,075 in 2022) (notes 21 and 31); and expenses on 'Credit Guarantee Fund' totaled R\$2,708 (R\$1,205 in 2022). (Note 21.)

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### 18. Provisions for payables

	<u>06/30/2023</u>	<u>12/31/2022</u>
Vacation pay	1,874	3,406
13th salary	857	-
Profit sharing	-	430
Rentals	194	194
Data processing	-	72
Third-party services	287	317
Legal fees	511	2
Other	2	3
<b>Total</b>	<b><u>3,725</u></b>	<b><u>4,424</u></b>

### 19. Other liabilities

#### a) Taxes and social security

	<u>06/30/2023</u>	<u>12/31/2022</u>
<b>Current</b>		
Taxes and contributions payable	2,659	3,368
RFB in installments - Principal and fine (i)	5,730	10,909
<b>Total</b>	<b><u>8,389</u></b>	<b><u>14,277</u></b>

- (i) Refers IRPJ, CSLL and IRRF tax assessment notices in the amount of R\$ 5,730 (R\$ 10,909 in 2022), in connection with Administrative Proceeding No. 16327-721.025/2018-35, which disallowed the expenses that had been included in the calculation bases of those taxes. The resulting debt has been paid in 60 monthly installments on a timely basis under an agreement made with the Brazilian Federal Revenue Service (RFB).

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### b) Sundry

	<u>06/30/2023</u>	<u>12/31/2022</u>
<b>Current</b>		
Obligations for transaction linked to assignment with co-obligation (Note 8h)	14,056	11,693
Collection notes in transit	2,896	63
Charges on amounts received under the PSH program	9	9
Other - Portfolio	4,215	-
Operations to be settled	2,458	-
Assignments to be settled	854	
Court-ordered debts to settle	-	2,087
Other payables	673	2,519
<b>Total</b>	<u><b>25,161</b></u>	<u><b>16,371</b></u>
<b>Noncurrent</b>		
Obligations for transaction linked to assignment with co-obligation (Note 8h)	21,327	30,641
<b>Total</b>	<u><b>21,327</b></u>	<u><b>30,641</b></u>

## 20. Equity

### a) Share capital

As of June 30, 2023, fully subscribed and paid-in capital is R\$184,300 (R\$184,300 on December 31, 2022), represented by 424,458,216 registered shares (424,458,216 on December 31, 2022), with no par value, divided into 212,229,108 (212,229,108 as of December 31, 2022) common shares and 212,229,108 (212,229,108 as of December 31, 2022) preferred shares.

### b) Dividends and interest on Stockholder's Capital

Bylaws establish the payment of minimum mandatory dividends equivalent to 25% of profit for the year, calculated under Brazilian Corporate Law.

### c) Legal Reserve

The Bank is required to allocate 5% of its profit to a legal reserve, which may not exceed 20% of paid-in capital.

Due to the Loss, in the first half of 2023, there were no Reserves created.

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d) Statutory reserve

The Bank is required to allocate 10% of profit to the statutory reserve which is intended to ensure an appropriate operating margin up to a maximum of 100% of capital.

The profit balance after the allocations required by Bylaws will be allocated as resolved by the Executive Officers and ratified by the General Shareholders Meeting; 100% of the amount may be allocated to the earnings reserves.

Due to the Loss, in the first half of 2023, there no Reserves were recognized but this Loss was offset by R\$4,556.

e) Mark-to-market of available-for-sale securities

The balance of valuation adjustments to equity is negative by R\$ 88 (R\$ 2,925 negatives in 2022) and corresponds to federal securities available for sale and fund units which are marked to the market (Note 6).

f) Loss/Retained earnings

Under Resolution 4.872/20, the unallocated profit for year, after the recognition of a legal reserve, is allocated to the statutory earnings reserve. As of June 30, 2023, loss for the six-month period was R\$4,556 (profit of R\$2,647 in 2022).

## 21. Expenses on money market funding

	06/30/2023	06/30/2022
Time deposits (Note 15)	81,251	58,855
Money market funding (Note 16)	1,359	2,665
Contributions to the Credit Guarantee Fund (FGC) (Note 15)	903	864
Interbank deposits (Note 15)	556	-
Treasury bills (Notes 17 and 31)	2,708	1,205
Agricultural Receivables Bills (LCAs) (Notes 17 and 31)	13,452	10,824
Real Estate Receivables Bills (LCIs) (Notes 17 and 31)	5,273	2,251
<b>Total</b>	<b>105,502</b>	<b>76,664</b>



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### 22. Revenue from services and banking fees

#### a) Service revenue

	<u>06/30/2023</u>	<u>06/30/2022</u>
Custody services	-	51
Transaction structuring fees	650	439
Contract amendment fee	1,086	-
Hiring fees	22	1,055
Other services	103	137
<b>Total</b>	<b><u>1,861</u></b>	<b><u>1,682</u></b>

#### b) Income from banking fees

	<u>06/30/2023</u>	<u>06/30/2022</u>
Fees on transfers of funds	378	484
Income from banking fees (i)	9,473	18,347
Other fees	18	15
<b>Total</b>	<b><u>9,869</u></b>	<b><u>18,846</u></b>

(i) Revenues from bank fees decreased in relation to the same period of the previous year based on: a) reduction in fees as a settlement bank; b) decrease in structured operations; and c) reduction of customers with linked accounts.

### 23. Personnel expenses

	<u>06/30/2023</u>	<u>06/30/2022</u>
Salaries and wages	12,198	10,960
Social security taxes	5,169	5,052
Benefits	3,704	3,106
Fees	3,436	4,003
Training	6	30
Interns' compensation	34	17
<b>Total</b>	<b><u>24,547</u></b>	<b><u>23,168</u></b>

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### 24. Administrative expenses

	06/30/2023	06/30/2022
Consulting on lending operations	4,517	4,932
Specialized technical services	4,174	4,094
Data processing	8,093	7,586
Rentals	1,486	1,326
Financial system	1,032	807
Communications	436	364
Third-party services	406	431
Notary fees	610	505
Commissions to correspondents	3,044	4,012
Other	1,406	1,309
<b>Total</b>	<b>25,204</b>	<b>25,366</b>

### 25. Tax expenses

	06/30/2023	06/30/2022
Service tax (ISSQN)	587	1,038
Cofins (tax on revenue)	2,596	2,161
PIS (tax on revenue)	422	351
Other	2,493	1,663
<b>Total</b>	<b>6,098</b>	<b>5,213</b>

### 26. Expenses on provisions

	06/30/2023	06/30/2022
Adjustment for inflation of taxes and contributions (Note 34)	38	34
Contingencies - Judicial and legal (Note 34) (i)	5,184	286
Reversal of provision for civil risks (Note 34)	(45)	(276)
Reversal of provision for court-ordered debts	(493)	-
Provisions for labor claims (Note 34)	551	962
Reversal of provision for labor risks (Note 34)	(406)	(1,360)
Expenses on RFB tax assessment notices (Note 19a)	390	782
Reversal of provision for proceedings with RFB - Interest	(1,951)	(1,414)
Contingency-related fees (Note 34)	269	-
Provision on guarantees given	4	136
Reversal of provision for personnel expense	(1,135)	-
Reversal of provisions for guarantees	(37)	(64)
<b>Total</b>	<b>2,369</b>	<b>(914)</b>

- (i) Mainly, represented by a civil lawsuit, with revision of probability from potential to probable, thus causing the recognition of a provision. (Note 34 b3).

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### 27. Other operating income

	06/30/2023	06/30/2022
Exchange gain	1,399	2,251
Interest on federal court-ordered debts	7,783	8,555
Adjustment for inflation of judicial deposits	215	158
Court-ordered debts to be settled (*)	14,463	-
Profit from assignment of payroll loans - Note 8h	402	23
Other	2,958	730
<b>Total</b>	<b>27,220</b>	<b>11,717</b>

(\*) Court-ordered debts to be settled with Bank shareholders (note 31).

### 28. Other operating expenses

	06/30/2023	06/30/2022
Deferral of payroll loans INSS	10,053	786
Term of commitment - BACEN (note 34)	4,000	-
Deferral of acquisition of FGTS withdrawal	1,056	1,120
Amortization and depreciation	391	492
Finance costs - PSH	241	278
Other divisions	1,402	604
Deposits written off	758	1,386
Assignment with co-obligation (Note 8h)	3,722	-
Other	2,391	2,014
<b>Total</b>	<b>24,014</b>	<b>6,680</b>

### 29. Non-operating profit (loss)

	06/30/2023	06/30/2022
Profit or loss on disposal of intangible assets	(478)	-
Lease of Reserva Metais brand (note 14)	254	322
Fixed assets write-off	(1)	(1)
Other	32	32
<b>Total</b>	<b>(193)</b>	<b>353</b>

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### 30. Income tax and social contribution

#### a) Reconciliation of provisions for income tax and social contribution

	<u>06/30/2023</u>	<u>06/30/2022</u>
Profit before taxes on income and profit sharing	(7,724)	8,361
(-) Profit sharing	(246)	(510)
<b>Profit before taxes and after profit sharing</b>	<b>(7,970)</b>	<b>7,851</b>
<b>Temporary additions and deductions</b>	<b>259</b>	<b>(1,951)</b>
MtM adjustment - securities	206	(571)
Credit risk losses	4,923	2,268
Provision for tax risks and contingencies	-	34
Provisions for RFB proceedings - Interest	(1,561)	(632)
Provisions for contingent liabilities (Note 34)	(3,144)	(342)
Other temporary additions and exclusions	(165)	(2,708)
<b>Permanent additions and deductions</b>	<b>384</b>	<b>533</b>
Other permanent additions and exclusions	384	533
<b>Tax base</b>	<b>(7,327)</b>	<b>6,433</b>
Income tax and social contribution	-	2,883
Deductions - tax incentives	-	(39)
<b>Income tax and social contribution</b>	<b>-</b>	<b>2,844</b>
Deferred tax assets	(3,414)	2,360
<b>Total income tax and social contribution</b>	<b>(3,414)</b>	<b>5,204</b>

#### b) Tax credits

Tax credits were recognized on the following:

	<u>06/30/2023</u>	<u>12/31/2022</u>
Credit risk losses and receivables written off as loss	29,099	24,176
Provision for Risks	3,277	6,954
Provisions for RFB proceedings - Interest and Other	2,112	3,304
MtM adjustment - securities - Trading	4,177	3,971
Tax loss carryforwards	34,207	26,881
<b>Total tax credits</b>	<b>72,872</b>	<b>65,286</b>
MtM adjustment - securities - Available for sale	159	5,318
<b>Total tax credits after MtM adjustment - securities - Available for sale</b>	<b>73,031</b>	<b>70,604</b>

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Changes in tax credits during the 1st six-month period of 2023 and the year of 2022 are as follows:

	12/31/2022	Constitution	Realization Reversion	06/30/2023
Expected credit losses	10,880	2,688	(474)	13,094
Provision for tax risks and contingencies	4,616	2,838	(5,029)	2,425
MtM adjustment - securities - Trading	1,787	131	(38)	1,880
Tax loss carryforwards	12,096	3,298	-	15,394
<b>Total tax credits</b>	<b>29,379</b>	<b>8,955</b>	<b>(5,541)</b>	<b>32,793</b>
MtM adjustment - securities - Available for sale	2,393	-	(2,322)	71
<b>Total tax credits after MtM adjustment - securities - Available for sale</b>	<b>31,772</b>	<b>8,955</b>	<b>(7,863)</b>	<b>32,864</b>

	12/31/2021	Constitution	Realization Reversion	12/31/2022
Expected credit losses	9,994	3,406	(2,520)	10,880
Provision for tax risks and contingencies	4,574	3,163	(3,121)	4,616
MtM adjustment - securities - Trading	1,568	909	(690)	1,787
Tax loss carryforwards	14,116	-	(2,020)	12,096
<b>Total tax credits</b>	<b>30,252</b>	<b>7,478</b>	<b>(8,351)</b>	<b>29,379</b>
MtM adjustment - securities - Available for sale	1,232	1,161	-	2,393
<b>Total tax credits after MtM adjustment - securities - Available for sale</b>	<b>31,484</b>	<b>8,639</b>	<b>(8,351)</b>	<b>31,772</b>

Tax credits will be offset within the statutory term permitted by Resolution 4.842/2020. Offsetting is contingent on the nature of the credit generated. Income tax and social contribution tax credits were only recognized on temporarily nondeductible differences.

There are no other tax credits to be recognized.

The present value of tax credits as of June 30, 2023 is R\$ 17,794. The CDI/B3 rates determined for the respective periods were used. Tax credits are periodically assessed based on the generation of future taxable income for income tax and social contribution purposes, in an amount that justifies the realization of the related amounts.

Based on their projections, which include business plan developments, Management expects that the Bank will generate future taxable income within the statutory term and will be able to use the tax credits recognized in the financial statements. Such estimate is revised on a periodic basis so that probable changes in the projected recovery of these credits can be considered in the financial statements on a timely basis.

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The estimated realization of tax credits is as follows:

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Expected credit losses	272	725	762	800	1,078	1,356	1,634	1,913	2,191	2,363	13,094
Provision for tax risks and contingencies	-	-	1,154	1,154	117	-	-	-	-	-	2,425
Mark-to-market adjustment of securities - Trading	45	96	100	120	160	200	241	280	320	318	1,880
Mark-to-market adjustment of securities - Available for sale	59	12	-	-	-	-	-	-	-	-	71
Tax loss carryforwards	446	953	1,001	1,051	1,321	1,590	1,859	2,129	2,398	2,646	15,394
<b>Total</b>	<b>822</b>	<b>1,786</b>	<b>3,017</b>	<b>3,125</b>	<b>2,676</b>	<b>3,146</b>	<b>3,734</b>	<b>4,322</b>	<b>4,909</b>	<b>5,327</b>	<b>32,864</b>
<b>Present value</b>	<b>738</b>	<b>1,472</b>	<b>2,272</b>	<b>2,131</b>	<b>1,647</b>	<b>1,748</b>	<b>1,872</b>	<b>1,954</b>	<b>2,002</b>	<b>1,958</b>	<b>17,794</b>

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### 31. Related-party transactions

Related-party transactions were carried out under usual market conditions as regards charges and maturities and consist basically of:

	<u>Assets (liabilities)</u>		<u>Revenue (expenses)</u>	
	<u>06/30/2023</u>	<u>12/31/2022</u>	<u>06/30/2023</u>	<u>06/30/2022</u>
Demand deposits	(11,258)	(20,318)	-	-
Time deposits	(83,215)	(90,964)	(7,480)	(6,261)
Treasury bills - Subordinated debt (Note 17)	(30,131)	(27,423)	(2,708)	(1,205)
Real Estate Receivables Bills (LCIs) (Notes 17 and 21)	(3,301)	(14,470)	(5,273)	(2,252)
Agricultural Receivables Bills (LCAs) (Notes 17 and 21)	(23,926)	(46,011)	(12,644)	(9,088)
Receivables without recourse (*)	-	-	1,375	-
Court-ordered debts to be settled (**)	-	-	14,464	-

(\*) Assignment of credit rights with Paulista – Companhia Securitizadora de Créditos Financeiros S.A. (Note 8h)

(\*\*) Court-ordered debts to be settled with Bank shareholders (note 27)

#### a) Key management personnel compensation

The annual General Shareholders' Meeting resolves on the overall compensation of the key management personnel, as established in the Bank's Bylaws. The Bank incurred on the following short-term benefits to Management:

	<u>06/30/2023</u>	<u>06/30/2022</u>
Fixed compensation	3,437	4,003
Social security taxes	773	901
<b>Total</b>	<b>4,210</b>	<b>4,904</b>

The Bank does not grant long-term, post-employment, layoff or share-based compensation benefits to its management key personnel.

### 32. Risk management

#### Risk appetite

The Executive Board is responsible for approving the risk appetite limits and guidelines and, in accomplishing their responsibilities, counts on the support of the Risk and Control Committee and the Chief Risk Officer (CRO).

The risk appetite limits are monitored on a periodic basis and reported to the Risk and Control Committee and the Executive Board that governed preventive decision-making process to ensure that exposure is aligned with the Bank's strategy.

There is a centralized risk control and management framework and independent from business units which establish risk limits and mitigation mechanisms, besides establishing processes and instruments to measure, monitor and control risks.

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The Bank uses three components to organize its risk management activities: Business and operational scenario; governance framework; and the organizational chart of the departments.

- Business and operational scenario: the objective of this component is to identify, analyze, evaluate, address, communicate, and monitor risks;
- The governance framework is comprised of committees and collegiate forums, specialized and with a periodic agenda, with formalization of relevant decisions; and
- The organizational chart of the departments defines specific responsibilities and ensure segregation of duties and independent roles.

The Bank adopts an integrated management for risks, minimum capital requirements and financial capacity. Risks are classified according to their nature: liquidity, credit; market; operational; and capital management.

### Types of risks:

#### a) Liquidity risk

The liquidity risk arises from the risk that the Bank will not be able to efficiently discharge its expected and unexpected obligation, current and future, without affecting its day-to-day operations and without incurring material losses. To protect itself against this risk, the Bank periodically assesses its exposures and defines the volume of security 'cushion,' or minimum liquidity, which should be recognized and held by the Institution.

The objective of liquidity risk management is to provide funding and manage investments and funding in the short and long terms. For the short-term horizon, the diversification of funding sources is prioritized. For the long-term horizon, matching the time between funding and investments is the priority. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution No. 4.557/17.

#### b) Credit risk

The credit risk arises from loss due to failure of the taker, issuer or counterpart to fulfill their respective financial obligations within the agreed-upon terms. To face this risk, the Bank periodically revises its exposures and the credit rating of its clients and counterparts by setting limits and requiring guarantees that are sufficient to cover potential losses incurred by the institution.



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The objective of the credit risk management is to anticipate the degree of risk, monitor the diversification and recognize sufficient guarantee that make it possible to minimize the Institution's risk of incurring financial loss. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution No. 4.557/17.

### **c) Market risk**

The market risk arises from the risks that the Bank will incur significant losses due to fluctuations in the market value of the positions held by the Bank. Such losses may be subject to currency parity as well as parity in interest rates, share price, price index and prices of commodities.

The risk management function seeks to balance the business objectives in the banking and trading portfolios, considering, among others: political, economic and market scenarios, portfolio profile and capacity to operate in specific markets. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution No. 4.557/17.

### **d) Operational risk**

The operational risk arises from fraud, internal or external, labor claims and deficient occupational safety, inappropriate practices relating to clients, products and services, damages to own physical assets or in use by the Bank, situations that may cause disruption to the Bank's activities and failures in systems, processes or information technology infrastructure. To address this risk, the Bank periodically compiles and categorizes these events by monitoring the effectiveness of the improvement plans adopted to minimize the occurrence of such events.

The objective of the operational management risk is the organized capture of information on weaknesses in business processes and the evaluation of the corresponding improvement plans. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution No. 4.557/17.

### **e) Capital management**

Capital management counts on a prospective process to monitor and control the Bank's capital including the capital requirement planning and projection consistently with the budgetary plans and business goals and strategies to cover the resulting risks.

Capital can be defined as the long-term funds, own and third parties, and may be segmented into Tier I (Principal Capital and Supplementary Capital and Tier II (Hybrid Instruments), which were classified and authorized by BACEN for this specific purpose and that enable the institution to absorb the risks and determine and meet the required ratios and leverage thresholds. The practices adopted by the Bank are in conformity with the requirements set forth in CMN Resolution No. 4.557/17.

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### f) Sensitivity analysis

Banco Paulista performed a sensitivity analysis by market risk factors considered relevant, by monitoring the results obtained in determining the risks associated with the Bank's portfolio.

Since the calculation is made by following a methodology standardized by the Central Bank by means of the Financial Risk Management System, it does not consider the dynamic response capacity of management (Treasury and control areas) which triggers risk mitigating measures to minimize significant losses at least partially. The specific purpose of this study is risk management; therefore, it has no relation with accounting practices.

### g) Social, Environment, and Climate Responsibility

We have updated our regulatory commitment following the new guidelines brought through Resolution CMN 4.943/2021 which amends the Resolution 4.577/17 of "Integrated Risk Management (GIR)", including guidelines related to the management of social, environmental, and climate-related risks, and of Resolution CMN 4.945/2021, which provides on the Policy of Environment, and Climate Responsibility ("PRSAC"). Both came into force on December 1, 2021 for financial institutions of the Segment S4, in which the Company is framed.

The Policy of Environment, and Climate Responsibility ("PRSAC") presents principles, strategies, and guidelines of social, environmental, and climate nature to be observed in conducting our business, activities, and processes, as well as its rapport with the concerned parties, being 100% aligned with the institutional positioning of the company, as regards of ESG matters.

In addition, it is worth highlighting that the social, environmental, climate risk assessment is part of the acceptance/renovation process of relevant customers and suppliers of Banco Paulista and includes analysis of the commitment and customer and/or supplier's ability to prevent, reduce, mitigate, and manage potential social, environmental, and climate-related impacts of their activities. At the end of this process, a rating RSAC (Social, Environmental, and Climate-related Risk) is attributed to eligible customer, as well as to relevant suppliers.

This process is part and contributes to the robustness of the structure of integrated risk management of the company, comprising an exclusive dimension in the institution's matrix of Risk Appetite (RAS), periodically accompanied by the Management and Boards of Directors.

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### **33. Indorsement, sureties and guarantees provided to third parties**

As of June 30, 2023, the responsibility for indorsement, sureties and guarantees provided to third parties, including receivables assigned without recourse, amounted to R\$ 616 (R\$ 2,919 on December 31, 2022). An allowance for losses of R\$ 47 (R\$ 80 on December 31, 2022) was recognized to cover potential losses on these transactions.

### **34. Contingent assets and contingent liabilities, and legal, tax and social security obligations**

#### **a) Contingent assets**

Contingent assets are not recognized, except when there are actual guarantees or judicial decisions favorable on which no appeals apply, characterizing gain as practically guaranteed. Contingent assets with probable success, when existing, are only disclosed in the financial statements.

In 2022, there is a lawsuit with exhaustion of all appeals, where the Bank discusses employee social security contributions, on the amounts paid as (i) paid period of notice and (ii) fifteen first days of leave before the concession of the sick leave pay related to the period of 05/2005 to 05/2022. The amount R\$ 2,685 is recorded in the line "recoverable taxes".

#### **b) Contingent liabilities assessed as probable losses and legal obligations**

##### **b.1) Provision for labor risks**

Comprised mainly of lawsuits filed by former employees claiming overtime and former independent contractors claiming recognition of employee-employer relationship and payment of the related labor rights.

Provisions for risks are recognized based on an individual analysis of the potential loss amount for each lawsuit, considering the current stage of the lawsuit, the case law in relation to the matter and the opinion of outside legal counsel. The probable loss amount reliably estimated is fully recognized, including charges.

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### b.2) Provision for civil risks

Comprised mainly of civil lawsuits related to CDC operations, for pain and suffering and property damages, and other lawsuits with indemnity claims. For lawsuits related to CDC operations whose amounts are not individually material, the provision is recognized based on the average history of losses on lawsuits of the same nature. The average history of loss is revised every six months. For other civil lawsuits, the likelihood of loss is individually analyzed considering the current stage of the lawsuit, the case law in relation to the matter and the opinion of outside legal counsel.

### b.3) Provision for tax and social security risks

The provisions for tax and social security risks are represented by lawsuits and administrative proceedings, substantially represented by Constitutional Amendment 10/96 which ensures (i) the right to pay social contribution on net profit (CSLL) at the same rate applicable to entities not operating in the financial services segment; and (ii) suspend the requirement to pay CSLL on profits calculated at a rate of 30% in the period from 01/01/1996 to 06/07/1996, during which the company calculated and paid CSLL at a rate of 18% based on Law 9.249/95.

Changes in provisions for contingencies and legal obligations in the years are as follows:

Provision for risks					
	Labor	Civil	Tax	06/30/2023	12/31/2022
Opening balance at the beginning of the six-month period/year	197	5,440	1,317	6,954	3,907
Recognition	551	5,184	38	5,773	5,433
Realization	-	(8,197)	-	(8,197)	(216)
Inflation adjustments	(406)	-	-	(406)	-
Reversals	-	(45)	-	(45)	(2,098)
Reversal of fees	-	(269)	-	(269)	(72)
Closing balance at the end of the six-month period/year	<b>342</b>	<b>2,113</b>	<b>1,355</b>	<b>3,810</b>	<b>6,954</b>

Judicial deposits					
	Labor	Civil	Tax	06/30/2023	12/31/2022
Opening balance at the beginning of the six-month period/year	2,016	1,700	4,695	8,411	6,816
Inflation adjustments	68	-	147	215	371
Recognition	700	89	-	789	4,283
Reversals	(95)	-	-	(95)	(198)
Write-offs	(698)	(12)	(60)	(770)	(1,949)
Payments	-	(178)	-	(178)	(912)
Closing balance at the end of the six-month period/year	<b>1,991</b>	<b>1,599</b>	<b>4,782</b>	<b>8,372</b>	<b>8,411</b>

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### **c) Contingent liabilities assessed as possible losses**

As of June 30, 2023, contingent liabilities classified as possible loss are represented by 39 civil lawsuits (17 lawsuits in 2022) involving R\$ 51,783 (R\$ 2,275 in 2022), 22 labor claims (26 claims in 2022) involving 4,987 (R\$ 6,185 in 2022), and 03 tax lawsuits (03 lawsuits in 2022) involving R\$ 479 (R\$ 479 in 2022). The involved amounts were calculated based on the respective claims (which do not necessarily represent the amount of a possible loss) and are substantially represented by the following lawsuits:

- Lawsuits claiming revision of clauses under loan and financing agreements;
- Indemnity claims, arising from the performance of financial transactions; and
- Labor claims.

### **d) Ongoing proceedings**

#### **d.1) Operation *Lava Jato* (Car Wash)**

On May 08, 2019, the Bank was the target of the 61st stage of Operation Car Wash, named "Mammon Disguises", related to the Grupo Odebrecht, in which the Federal Attorney General's Office ("MPF") and the Federal Police investigate operations of money laundry, through exchange operations. On September 10, 2020 the 74th stage of the Car Wash operation was launched which targets were agreements executed with the Petrobras Group, in relation to surcharges, freezing of resources of officers involved in these operations.

The Bank's current Management has no knowledge of the transactions being investigated by Operation Car Wash and reassures that the Institution's operations have always being based on legality and all the standards and guidance established by the Central Bank of Brazil are followed.

Additionally, the Bank is not under criminal charge, therefore, there is nothing to state regarding success analysis in the financial sphere. It must be stated that there is not provision for criminal liability of corporate entities in the Brazilian Legal System, except for cases of environmental crimes. The criminal proceedings above mentioned are not result of environmental crimes apt to claim criminal liability of the corporate entity.

The Bank reinforces its commitment to society, clients and authorities and, for this purpose, the new Management is focused on adopting strict standards, mainly measures to strengthen governance and compliance, such as management, control, audit and transparency of information.

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Management hereby asserts that, through the date these financial statements were closed, there had been no updates or new information on the matter.

### d.2) Lawsuit – Federal Revenue

On December 2019, the Federal Revenue Service issued a tax assessment notice disallowing the use of administrative expenses in determining IRPJ, CSLL and IRRF.

As of February 28, 2023, this lawsuit was subject to the Programa de Redução de Litigiosidade Fiscal (PRLF), with pending analysis by the Federal Revenue.

### d.3) Commitment Term

During the year 2022, it was instituted “Commitment Agreement” by BACEN, being in this case applied a fine of R\$ 4 million, paid on February 27, 2023, as well as preparation of the Action Plan with improvements in the Governance process.

## 35. Operating limits

Regulatory capital required determined under the prevailing regulations is as follows:

<b>RWA and Basel ratio</b>	<b>06/30/2023</b>	<b>12/31/2022</b>
<b>Regulatory capital</b>	<b>185,277</b>	<b>196,079</b>
<b>Tier-I regulatory capital</b>	161,172	168,656
<b>Principal Capital</b>	161,172	168,656
<b>Tier-II regulatory capital</b>	24,105	27,423
<b>RWA Cpad - Credit</b>	1,179,675	1,632,122
<b>RWA Cam - Foreign exchange</b>	1,510	591
<b>RWA Trading - Interest, commodities, shares</b>	22	1,264
<b>RWA Opad - Operational</b>	212,939	273,530
<b>RWA - Total</b>	<b>1,394,146</b>	<b>1,907,507</b>
<b>Minimum regulatory capital</b>	<b>111,532</b>	<b>152,601</b>
<b>Basel ratio (regulatory capital/Total RWA)</b>	<b>13.29%</b>	<b>10.28%</b>
<b>Tier-I ratio (Tier-I regulatory capital/Total RWA)</b>	<b>11.56%</b>	<b>8.84%</b>
<b>Principal Capital ratio (Principal Capital/Total RWA)</b>	<b>11.56%</b>	<b>8.84%</b>

Basel Index, for the reference date June 30, 2023, determined in accordance with what is established in the Resolution No. 2.099/94, with amendments introduced by Resolutions No. 4.192/13 and 4.193/13, is 13.29% for the Financial Conglomerate.

The Bank is compliant with the requirements.

## Banco Paulista S.A.

Management's notes to the financial statements  
For the Periods Ended June 30, 2023 and December 31, 2022  
(In thousands of reais)

### 36. Provision of non-audit services and auditor's independence policy

In compliance with CMN Resolution No. 3.198, the Bank did not engage Grant Thornton Auditores Independentes Ltda. to provide services related to the Bank other than the external audit services. The policy adopted complies with the principles that preserve the auditor's independence, according to prevailing standards, that mainly determine that the auditor should neither audit its own work nor exercise management functions in the client or pursue its interests.

### 37. Other information

#### a) Nonrecurring profit or loss

	06/30/2023	06/30/2022
<b><u>(Loss) Net profit for the six-month period</u></b>	<b>(4,556)</b>	<b>2,647</b>
(-) <u>Nonrecurring profit or loss</u>		
Dismissals and contingencies (Bank's restructuring)	(640)	(1,084)
Commitment Term	(4,000)	-
Investigation proceeding	-	(3)
Legal fees	(1,448)	(771)
Tax effects	2,740	836
<b>Total nonrecurring profit or loss</b>	<b>(3,348)</b>	<b>(1,022)</b>
<b><u>(Loss) Net profit for the six-month period</u></b>	<b><u>(1,208)</u></b>	<b><u>3,669</u></b>

#### b) Amendments to the bylaws

There were no amendments to bylaws during the year ended June 30, 2023.

### 38. Other matters

- 1) During 2022, the Bank made a partial payment of the 2022 profit sharing to its employees in the amount of R\$ 362, under the collective bargaining agreement.

The final payment of R\$ 815 was made on February 17, 2023.

- 2) Resolution CMN No. 4.966 – on concepts and accounting criteria applicable to financial instruments, as well as for the designation and recognition of hedge operations, replace, among other rules, the Resolution No. 2.682, Resolution No. 3.533, the Circular Letter No. 3.068, and the Circular Letter No. 3.082.

## **Banco Paulista S.A.**

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The Central Bank of Brazil (Bacen) will issue supplementary rules with detailing of information to be disclosed in explanation notes. The Resolution 4.966 will be applied in a forward-looking manner on January 1st, 2025. With the issuance of Resolution 5.019 which requires preparation until December 31, 2022 of the implementation plan approved by the Bank's management. The document is at the disposal of BACEN in the regulatory deadline.

The Bank is assessing the application of such standard and the arising from the adoption and these assessments will be concluded until the standard's effective date.

### **39. Events after the reporting period**

On July 31, 2023, the Bank settled the fine relating to the administrative proceeding initiated by the Central Bank, for the amount of R\$12,081, of which R\$9,753 in principal and R\$2,328 in inflation adjustment.

The proceeding relating to the Tax Litigation Reduction Program (PRLF), until the issuance of these statements, remains pending analysis by the Federal Revenue Service.

From June 30, 2023 to the date these financial statements were approved for issue, no subsequent occurred that would require disclosure.

**Marcelo de Toledo Guimarães**  
Chief Executive Officer

**Marcelo Chacon Ruiz**  
Director

Ana Cristina Alves Afonso  
CRC 1SP234300.583/O-5